

TY 2004 VRPP Training Supplement - Technical Updates (12/2004)

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| Product(s) | Lesson/Topic | Page(s) | Supplemental/revised content |
|---------------------------------|-------------------------------------|------------------|--|
| 678/1155 series | Intro. & Admin. Guidelines | 9 & 10 | Insert the supplemental text under "Quality of Service" from separate file posted with this document, Volunteer Reference Materials-VRPP Supplement |
| 678/1155 series | 1 | 1-15 | Add "Alexis is a full-time student." in Example 1. |
| 678/1155 series | 1 | 1-18 | Add to 5th bullet. "Form 8332 is also required for parents who were never married." |
| 678/1155 series | 1 | 1-19 | Note: In Exhibit 3 the revised Form 8332 deletes "Caution: Do not use this form if you were never married." |
| 678/1155 series 4012 3888 | 1 Filing Status Filing Status | 1-20 13 18 | Add an asterisk after Table 2 title. The asterisk explains: "These special rules for divorced or separated parents also apply to parents who never married." Delete Step 6. Renumber the steps in both columns. |
| 678/1155 series | 1 | 1-26 | Change the exemption amount to \$3,100 in Exercise 4. |
| 4012 | Filing Status | 3 | Change the 1 st bullet under Who Must File - Special Situations, unearned income from \$750 to "\$800". |
| 678/1155 series | 3 | 3-19 | Delete "either Schedule D (Form 1040) or", in the 2 nd paragraph under Qualified Dividends. |
| 678/1155 series | 3 | 3-19 | Delete current text in the 2 nd bullet from the bottom. Add "The taxpayer does not have any unrecaptured section 1250 gain (box 2b), section 1202 gain (box 2c), or 28% collectibles (box 2d), and" |
| 678/1155 series | 3 | 3-20 | Delete the third bullet. |
| 678/1155 series | 3 | 3-21 | Insert a period after "report" in 2 nd line of the 1 st paragraph. Delete "for example ... asset." Add "taxpayers should be referred to a paid preparer if there are entries in Form 1099-DIV boxes 2b, 2c, 2d, 3, 8, or 9." |
| 678M/1155M series | 3 | M-3-9 | Add to Exercise 2, "Sergeant Wells receives 100 percent VA disability." |
| 678/1155 series | 4 | 4-1 | See separate file posted, Tax Law Supplement-Educator Expenses . |
| 678/1155 series | 4 | 4-2 | Under Contributions, 3 rd line should read "If taxpayer and/or spouse have compensation ..." |
| 678/1155 series | 4 | 4-10 | Delete Form 1040, line 22; insert 1040A, Line 15 in Example 12. |
| 678/1155 series | 4 | 4-11 | Correct worksheet lines 3, 5a, 5b, and 8 should be \$23,290. |
| 678/1155 series | 4 | 4-22 | Insert new Table 4 (see separate document posted) with increased adjustments and income phase out. |
| 678/1155 series | 4 | 4-28 | Change line 6a to \$45,000. |
| 678M/1155M | 4 | M-4-3 | Correct 2 nd bullet to 14 cents per mile. |
| Product(s) | Lesson/Topic | Page(s) | Supplemental/revised content |
| 678/1155 series | 5 | 5-8 | See separate posted file, Tax Law Supplement, State and Local General Sales Tax . |
| 678/1155 series | 6 | 6-13 | Change line 11 to \$1,976, line 12 to \$0, line 13 to \$1,976 and line 14 to \$100. |
| 678/1155 series | 7 | 7-6 | Change Example 1, 2 nd sentence "The entry in Box 2 of Form W-2 ..." |
| 678/1155 series | 7 | 7-33 | Delete the 1 st , 3 rd , and last bullets, Answers to Exercise 2. |

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| 678/1155 series 4012 3888 | 10 EIC EIC | 10-6 & 10-10 24 & 26 29 & 32 | Clarification: If a Social Security card has the "Not Valid for Employment" imprint and the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid, the SSN is not valid for EIC purposes. |
| 678/1155 series | 10 | 10-4 | See separate file posted with this document, Tax Law Supplement - Military Combat Pay . |
| 678/1155 series | 11 | 10-32 | Revise Exercise 4, Child Tax Credit to \$588. Delete the text in A. and replace with "Complete Form 1040A, page 2 lines 22 through 38." |
| 678/1155 series | 11 | 10-42 | Change line 32 and line 35 to "\$588". |
| 678/1155 series | 11 | 11-5 | New Tax Law, Additional Child Tax Credit. "This credit increased to 15% (previously 10%)." Note: Examples and exercises are calculated on 10%. |
| 678/1155 series | 11 | 11-5 | New Tax Law, Additional Child Tax Credit - Nontaxable combat pay. "If the taxpayer (or spouse if filing married filing a joint return) received nontaxable combat pay and the taxpayer did not elect to include this pay in computing the EIC (or the taxpayer is not claiming the EIC), the taxpayer must include this amount in the total on line 4a and 4b of Form 8812, Additional Child Tax Credit." |
| 678/1155 series | CW | CW-1 | Change the W-2, Box 4 to be "\$167". |
| 678/1155 series | CW | CW-34 | Change Line 45b and put an "X" next to Savings. |
| 678/1155 series | 12 | 12-1 | Change the last objective to: "Calculate the tax liability using the Qualified Dividends and Capital Gain Tax Worksheet." |
| 678/1155 series | 12 | 12-2 | Add to the last sentence of the 1 st paragraph under Basis, "or sold". |
| 678/1155 series | 12 | 12-9 | Add a period to the end of the 2 nd line of the 2 nd bullet and delete the remaining text. |
| 678/1155 series | 12 | 12-14 | Delete the "(85)" from line 14 and insert "(85)" in line 15 in Exhibit 6, Alec's Schedule D, Part II. |
| 678/1155 series | 12 | 12-17 | Change the last paragraph to read as follows: "Exhibits 8, 9, and 10 show Edmund's Schedule D, Part III, his Qualified Dividends and Capital Gain Tax Worksheet, and his Form 1040, lines 13 and 43, respectively. His tax is \$11,894. Without the Qualified Dividends and Capital Gain Tax Worksheet, his tax from the tax tables would be \$12,994. Using the Qualified Dividends and Capital Gain Tax Worksheet saved Edmund \$1,100." |
| 678/1155 series | 12 | 12-18 | Enter "\$11,000" on line 16, Exhibit 8. Check the "Yes" box on lines 17 and 20, Exhibit 8. |
| 678/1155 series | 12 | 12-19 | Enter "\$0", lines 5 and 13, Exhibit 9. |
| 678/1155 series | 12 | 12-20 | Change (A) 2 in Exercise 4 to "Form 1040, line 43". |
| 678/1155 series | 12 | 12-23 | Change Example 10, 2 nd paragraph, 2 nd line from 2002 to "2003, Capital Loss Carryover Worksheet"; 4 th line, Form 1040, line 42 to "line 40"; change 3 rd paragraph, 3 rd line Exhibits 12 thru 15 to "14 thru 17". |
| 678/1155 series | 12 | 12-27 | Change Exercise 5, next to last paragraph, 2 nd line should be "line 40". |
| 678/1155 series | 12 | 12-36 | Change Exercise 3, Schedule D, line 1, 500 sh LSR, column b, to 01/21/03. |

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| 678/1155 series | 12 | 12-36 | Change Exercise 3, Schedule D, line 8, 100 sh DEF, column c, should be 10/16/04. |
| 678/1155 series | 12 | 12-37 | Change Exercise 4, (A) 2 to "\$13,174". |
| 678/1155 series | 12 | 12-38 | Check the "Yes" box Schedule D, Part III, lines 17 and 20. |
| 678/1155 series | 12 | 12-39 | Change entries on line 11 to "blank", line 12 to "\$3,200", line 13 to "\$0", and line 14 to "\$3,200". |
| 678/1155 series | 12 | 12-40 | Change line 8,300 sh JKL, column b, to "06/26/02". |
| 678/1155 series | Appendix | A-5 | Change 1st paragraph, 5 th line from 05/08/1991 to "05/08/1992". |
| 678/1155 series | Appendix | A-40 | Change 2 nd bullet from 05/03/1987 to "05/03/1988". |
| 6744 | Question A-15 | 10 | Add "assume earned income exceeds maximum contribution" |
| 6744 | Pension Test Problem | 69 | Add: "Joe and Shirley Coker are married and will file a joint return." |
| 6745 | Pension Test Problem | 63 | Add: "Earl and Jane Perdue are married and will file a joint return." |
| 4189 | Military | 5 | Change answer to "D-25" from A to "B". |
| 4189 | Pension | 38 | Change the Form 1040, page 2, lines 43, 45, 56, and 62 to \$1,141; change lines 71 and 72a to \$113; and delete amount on line 74. |
| 4189 | Pension | 44 | Change the Qualified Dividends and Capital Gain Worksheet, line 11 from \$3,877.00 to "\$388.00"; line 17 from \$4,630.00 to "\$1141.00"; and line 19 from \$1,576.00 to "\$1,141.00". |
| 3922 | Answer key | 42 | Change Refund to "\$1329" in No. 5. |
| 3922 | Answer key | 43 | Change Part II, No. 2 – Computed tax to "\$493"; Refund to "4165" |